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SUBJECT: ROMANIA: CODEL LUGAR SCENESETTER

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¶1. (SBU) Mission warmly welcomes the visit of CODEL Lugar, and looks forward to making sure you get the most out of your time in country. Romania is an excellent strategic partner, ally, and friend of the United States, and continues to be among the staunchest contributors to NATO missions since the earliest days of Partnership for Peace, committing troops and resources in Bosnia, Kosovo, Iraq, and Afghanistan. Romania's accession to the EU is only 20-months old and though the legacy of its communist past still lingers in some elements, it is receding increasingly rapidly since the 1989 termination of Nicolae Ceaucescu's erratic dictatorship. No country embodies more dramatically than Romania our vision of a reborn Europe working in close partnership with the U.S. Romania demonstrated its sophisticated level of maturity this past April when it successfully hosted the largest and most complex NATO Summit in the Alliance's history. For our Romanian interlocutors, the summit was not only proof of their status as a devoted U.S. friend and ally, but also a validation of their strong transatlantic orientation, their forward-looking strategic mindset, and steadfast military contributions alongside U.S., Allied, and coalition forces.

¶2. (SBU) Your meeting with President Traian Basescu will highlight a Romania which generally punches above its weight when it comes to security issues. Romania has 500 troops in Iraq and plans to expand its current 640 troops committed in Afghanistan to over 800 in 2009. Romania's contributions present a positive model for other allies, especially in southern Afghanistan, where they take on dangerous engagements against the enemy--and have taken their share of casualties. Closer to home, Basescu believes greater U.S. and NATO engagement in the Black Sea region is key to advancing stability and democratic reform. Besides being committed to fighting the war on terror, stopping non-proliferation, and illicit trafficking, Romania is determined to advance energy security across the Black Sea to the Caspian Sea. Advocating for extending NATO membership to Georgia and Ukraine, and building a bridge between the EU and Moldova, are important parts of Romania's broader national interest. Romania's orientation towards Serbia, and ensuring the same NATO and EU opportunities are available to all of the Western Balkan states, has the same resonance and urgency for securing the immediate neighborhood. Basescu has privately underscored his strong commitment to Georgia's territorial integrity and sovereignty, and has offered to provide humanitarian assistance to Tblisi, but commentators have noted that the government has been conspicuously low-key on this issue, reflecting concerns about spillover to other nearby frozen conflicts and deep-seated public ambivalence about provoking the Russian bear. Basescu is planning to travel to Georgia in the next several days, and we will let you know if this trip results in any shifts in Romania's policy.

¶3. (SBU) While the President will likely focus on the immediate region and security issues, the Foreign Minister will bring up other areas of international cooperation. Prior to being appointed Foreign Minister, Lazar Comanescu served as Romania's chief representative to the EU since 2001 and is intimately familiar with how Brussels thinks and operates. A career diplomat and internationalist by nature, Comanescu has characterized his role as that of a caretaker until the next election. He will likely have insights into the EU approach to energy security issues and Romania's role in both the EU and NATO. Comanescu (and perhaps others) will likely stress Romania's strong desire to participate in the U.S. Visa Waiver Program (VWP). The Department of Homeland Security has included Romania among the "Roadmap" countries for potential inclusion in WVP expansion. However, while the GOR is aware that in order to qualify it needs to overcome substantial technical impediments as well as concerns regarding overstays, high visa refusal rates, and other information/identity verification issues, they will nevertheless continue to make the push for domestic political reasons.

¶4. (SBU) Another part of the Romanian success story is the economy, albeit with some caveats. Minister Varujan Vosganian will no doubt point to Romania's still strong economic growth, which has been underpinned by accession to NATO in 2004 and the European Union in 2007. Foreign direct investment is pouring into Romania, along with initial EU structural funds. U.S. trade and commercial ties with Romania are also booming after having lagged in the initial post-Communist era. Vosganian recognizes that Romania's challenge is to institutionalize economic reforms and to develop the infrastructure needed to continue to attract new

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foreign investors. Underinvestment in infrastructure, the lack of transparency in governmental decision making, and corruption all continue to have a negative impact on the overall business environment. Another growing problem is the outflow of skilled labor and energetic young people to higher paying jobs elsewhere in the EU. On energy security, views here tend to be closely aligned with our own, with the Romanians taking an active role in seeking new energy supplies, while also encouraging investment in domestic renewable energy sources. Alarmed by Gazprom's aggressive strategy in the region, Romania is a member and steadfast supporter of the Nabucco pipeline consortium, which would bring Caspian Basin gas through Romania to the European market. The Romanian government has actively sought to cultivate close ties with Azerbaijan and the Central Asian republics to encourage gas exports via Nabucco, complementing U.S. efforts. (COMMENT: Basescu is also planning to visit Azerbaijan this week and we will report asap. END COMMENT) Romania is also considering alternative means of diversifying supply, including additional nuclear power reactors and a possible LNG terminal at the port of Constanta.

¶5. (SBU) Minister of Environment Attila Korodi has been an opponent of the expanded use of agricultural biotechnology in Romania, and he recently spearheaded the appointment of a biosafety commission to assess the risks posed by Monsanto's MON 810, a corn variety widely used elsewhere in Europe. Despite public statements from the Minister questioning the safety of biotech, the biosafety commission moved at a deliberate pace, evaluated all of the relevant scientific data, and plans to inform the Minister that MON 810 is safe to plant in Romania (COMMENT: This information has not yet been publicly released. END COMMENT). Despite pressure from NGOs such as Greenpeace and negative statements from some parts of the government, farmers are recognizing the benefits of biotechnology and are increasingly using it to maximize yields. By way of illustration, in 2007, Romania planted only 331 hectares of biotech corn, which jumped to an estimated 7,500 hectares in 2008, a number which is forecast to almost double to 12-15,000 hectares next year. Recent Embassy events, such as the agricultural biotechnology

"roadshow" in June, have all been well-attended and show that Romanian farmers are interested in using the latest agricultural technology available. Encouraging the Ministry of Environment to adopt a science-based approach to evaluating biotechnology could allow Romania, with its large and underdeveloped agricultural sector, become a leader within the EU in this field.

16. (SBU) There are some political minefields to navigate in your meeting with Prime Minister Calin Tariceanu. No one has ever accused Romania of being a tidy place politically. This is a rough-and-tumble political environment, as evidenced by the unruly effort to unseat Basescu in 2007 through a dubious impeachment effort. While things have settled down somewhat, Basescu and Tariceanu remain at loggerheads. While a possible reconciliation between Basescu's Democratic-Liberal Party and Tariceanu's National Liberal Party cannot be discounted following Parliamentary elections in November, there will no doubt be some more political turbulence until the end of the year when a new government is formed. Yet on most of the issues we care about, their differences are more illusory than real, and invariably are about the domestic political game. Tariceanu recognizes the importance of energy security, and has worked closely with us to advance our common interests in securing alternative energy sources, both for Romania, and the EU. In his meeting with you, Tariceanu will likely remain focused on domestic issues, and will be more open to arguments in favor of agricultural biotechnology than Korodi. On Romania's relationship with the U.S., both Tariceanu and Basescu will likely reinforce each other in requesting your help and support for Romania's accession to the Visa Waiver Program.

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